MEMORANDUM

Pres Memans

THE WHITE HOUSE

WASHINGTON

SECRET/NODIS/XGDS

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

ON-FILE NSC RELEASE

INSTRUCTIONS APPLY

Turkey:

Ihsan Sabri Caglayangil, Minister of

Foreign Affairs

Amb. Melih Esenbel, Turkish Ambassador

Sukru Elekdag, Secretary General, Ministry of Foreign Affairs

Amb. Ercumet Yavuzalp, Director General for International Security

Affairs

<u>U.S.:</u>

President Ford

Dr. Henry A. Kissinger, Secretary of

State

Amb. William Macomber, U.S.

Ambassador to Turkey

Brent Scowcroft, Assistant to the

President for National Security Affairs

DATE AND TIME:

Wednesday - March 24, 1976

5:03 - 5:50 p.m.

PLACE:

The Oval Office

<u>President:</u> I wish to welcome you here, Mr. Foreign Minister. You have been here a number of times.

Caglayangil: Please excuse my English. It is very poor.

<u>President:</u> I am very pleased to have you here. I know that Secretary Kissinger has discussed matters in detail with you. I hope that you will convey to the Prime Minister my best regards.

Since I haven't had a chance to discuss your talks with Secretary Kissinger, Henry, will you review them for us?

DOS Review Completed.

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CLASSIFIED BY HENRY A. KISSINGER.

EXEMPT FROM GENERAL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 11652
EXEMPTION CATEGORY 5 b (1,3)
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<u>Kissinger</u>: We discussed six issues. We resolved five of them and there is no reason to go into detail on them. The remaining issue is the level of assistance and the type of equipment we could make available. The level of aid we proposed is \$250 million a year and perhaps \$50 million of Export-Import credits. We can't frankly do any better, because we couldn't get it through Congress. We discussed selling equipment at reasonable prices -- like F-100's and ships. They don't need F-100's, though, and Clements is looking for ways to loan them more modern ones or something else.

Caglayangil: As Secretary Kissinger says, we have resolved five out of six issues. We have not agreed on the level and scope of assistance to be provided to Turkey. I am sure you know that from the Adriatic to the Sea of Japan, Turkey is the only democratic regime in a sea of authoritarian regimes. Our per capita income now is about \$600. We have to maintain a defense budget of about \$259 per capita, and improve our economy, and do it while maintaining human freedom. The people at times abuse these freedoms and make it difficult for the government.

Turkish-American relations are going through a crisis and there are those who would take advantage of this crisis. Support for our defense forces is an integral part of our difficulties. The antagonists of NATO or of Turkish-American relations always bring forth the aid that you provide to Greece or places like Egypt or Iran. Dr. Kissinger says you can't increase aid past \$250 million and I am afraid this will not be satisfactory to the Turkish public. I told Secretary Kissinger today that if he had difficulty with the American Congress, we could modernize the Turkish armed forces through a swap deal.

<u>Kissinger:</u> The problem is it won't work -- like trading F-100's for F-4's. The problem is we don't have any F-100's left in the US Air Force.

<u>President:</u> We would have a terrible logistics problem, since we don't have any.

<u>Caglavangil</u>: I appreciate that. We are just trying to find a way out. Let me assure you that whether we come to an agreement or not, we still have great esteem for our relations with the United States. We have not forgotten the assistance from across the Atlantic when the Soviet Union made its demands on the three provinces and the Straits. That is why I do not see any serious implications in the discussions we are having. We will certainly try to develop our alliance relationship.

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I bring you very warm greetings from my President and my Prime Minister -- who cherishes pleasant memories of meeting with you. When previously I was Foreign Minister, we came to this country and paid a visit to the American President. To greet the American President in Turkey would be a great honor and give us much pleasure. If I could receive acceptance, it would be the greatest gift I could bring back.

President: I greatly appreciate the invitation. It would be a great honor for me to go there. I unfortunately have never been there and I will maximize my efforts to visit. We unfortunately now have some elections coming up, but I assure you that after November 2nd, if things go as I expect, I will certainly make every effort to visit Turkey. I would like very much to have the Prime Minister visit this country. I really enjoyed my meetings and discussions with him and I hope you will convey the invitation to him.

Caglayangil: I will do so.

<u>President:</u> I will leave the negotiating details to you two, but since I have been President, I have made every effort to show how important are our relations with you. I have discussed point six with Dr. Kissinger. We have gone really as high as we can possibly go, and I hope that you will discuss it further with Secretary Kissinger and make every effort to reach agreement. It would greatly facilitate all our proceedings.

Caglayangil: We have followed how consistently you have defended U.S. -Turkish relations, especially with the Congress. We have no complaints whatsoever. If the American Government and Congress don't see eye to eye, that is an internal American problem. Obviously we can't explain that to our public. This problem is not peculiar to the American scene. We also have that same problem. The Turkish Constitution grants the right of amnesty only to the Grand National Assembly, but nevertheless, it has been granted by various of our governments to terrorists, etc.

The whole American picture has been evaluated in Turkey as if what has been done has been the act of the government. This is in fact where we find ourselves.

<u>President:</u> We hope that in this election we would get strong support from our people and get some changes in the Congress. Cooperation has gotten somewhat better in the past several months, but the real turn will come in January.

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I just want to reiterate that we want to commit ourselves as deeply as possible to improving our relations and we have extended to the utmost our efforts to reach a satisfactory agreement. I wish you well in your discussions with Secretary Kissinger.

<u>Caglayangil:</u> I wish you well in the election. I don't pretend prophecy, but only wishes. If the Congress can be improved, that is in the best interests of both our countries.

<u>President:</u> What is the status of your discussions with Greece over Cyprus?

Caglayangil: It is like a wound which needs medical attention. It can't be left the way it is. The important thing is to break the connection of American aid to the solution of that problem. While I accepted most of the Secretary's proposals on the five issues, my objective was this point.

Turkey and Greece historically must know how to live together. The only way to do that is to sit down and talk. We think we have a good chance with the Karamanlis Government. Cyprus is the key to our relations. Here there are two obstacles -- Makarios is one, and this linkage is the other. Makarios is a complicated element -- so much that we can't solve the problem with him or without him. It is hard to get a proposal accepted by the Greek Cypriots which Makarios opposes.

<u>Kissinger:</u> The problem is which side will put forward the territorial proposal. Neither side wants to do it first, for good reasons. Any proposal either one puts forward is likely to become a domestic issue. I will talk to the Foreign Minister about some procedural ways we might attack it.

<u>Caglayangil</u>: The Greek Cypriot negotiator promised his views on territory within six weeks and the Turkish negotiator promised to respond within 10 days. They will meet again in May. Then they will form two subcommittees: one for territory, and one for constitutional questions. Ithink this is a hopeful procedure.

President: I hope this would move as you indicate. It raises serious questions here when there is no movement, so this would be helpful.

<u>Caglayangil</u>: I have done my best to encourage Denktash and have told him he can say yes, but to tell me only when he plans to say no.

[END]

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THE WHITE HOUSE

WASHINGTON

SECRET/SENSITIVE

MEETING WITH FOREIGN MINISTER CAGLAYANGIL OF TURKEY

Wednesday, March 24, 1976 5:00 p.m. (30 minutes) The Oval Office

From: Brent Scowcroft

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I. PURPOSE

Turkish Foreign Minister Sabri Caglayangil (Chaw-lay-UN-gill) is in Washington at our invitation, to try to complete negotiations on a new bilateral US-Turkish defense cooperation agreement. This meeting will permit you and Foreign Minister Caglayangil to review US-Turkish relations, including U.S. security assistance for Turkey, the status of the ongoing US-Turkish bases negotiations and the prospects for settlement of the Greek-Turkish dispute over Cyprus.

Your purpose in this meeting will be to:

- emphasize the concerted effort both you and your Administration have made and will continue to make to restore the full balance in our security relations with Turkey and, in this connection, the importance we attach to close ties with Ankara -- bilaterally and in the context of NATO and CENTO;
- -- emphasize that realistically it will be difficult to induce U.S.

 Congress to approve full restoration of aid without some visible progress on the US-Turkish bases negotiations or Cyprus;
- -- note that conclusion of a new Defense Cooperation Agreement (DCA) with Turkey during the Foreign Minister's stay in Washington, coupled with an understanding that U.S. operations in Turkey can resume at an early date, would almost certainly improve the prospects for Congressional approval of full restoration of military assistance for Turkey in the FY 1977 aid legislation soon to be considered by both Houses; and

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-- encourage the continuation of direct contacts between Athens and Ankara on issues of mutual concern, including Turkish support of the intercommunal talks on Cyprus.

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II. BACKGROUND, PARTICIPANTS & PRESS ARRANGEMENTS

participated in your meetings with Prime Minister

Demirel at the NATO and Helsinki summits last year. The
Foreign Minister is an experienced politician and diplomat who
has a close working relationship with the Prime Minister. He
strongly believes that US-Turkish ties should be preserved and
strengthened but is sensitive to and opposes any suggestion of
outside pressure on Turkey -- particularly by the U.S. Congress -to move ahead on matters of mutual concern, principally the
Cyprus dispute and the bases negotiations. (NOTE: En route to
Washington, Caglayangil stopped off for talks with British Foreign
Secretary James Callaghan. According to Embassy London,
the Foreign Office reported that Secretary Callaghan would emphasize the need for Turkish flexibility and reasonableness in the

In his meeting with you, the Foreign Minister can be counted on to express the Turkish government's continuing displeasure over Congressional restrictions on U.S. security assistance for Turkey. He will underscore the longstanding Turkish position that all remaining limitations on U.S. arms shipments to Turkey must be lifted before Ankara can be expected to address seriously the separate issues of Cyprus and of Turkey's future security relationship with the United States. The Foreign Minister will seek your assurances of continued efforts with the Congress to rectify the security assistance problem.

Secretary Kissinger, in his meetings with Caglayangil on March 24-25, will be seeking to conclude a new Defense Cooperation Agreement (DCA) with Turkey permitting resumption of U.S. operations -- suspended by the Turks since last July -- at the joint defense bases on Turkish soil. Secretary Kissinger will emphasize to Caglayangil that early agreement on a new DCA would be in the best interests of both countries and would be a

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Cyprus issue.)

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positive indication of improvement in US-Turkish relations as the Congress considers in the weeks ahead the FY 1977 military assistance programs for Turkey. The Department of State is optimistic that current obstacles in the negotiations (primarily the levels of assistance to be provided Turkey over the course of the agreement) can be overcome.

The Foreign Minister comes to the United States at a time when the domestic political situation in Ankara is unstable and uncertain, thus weakening the ability of Prime Minister Demirel's fragile coalition government to deal decisively with Turkey's growing problems both at home and abroad. The Demirel government faces general elections sometime within the next eighteen months and is under strong influence from political elements on the far left and the far right, as well as the center-left opposition party, not to yield to pressure from the U.S. Congress on Cyprus and not to conclude a new defense agreement with the United States until all remaining restrictions on U.S. military assistance for Turkey are lifted. Thus the Turkish domestic situation continues to hamper our efforts not only to sign a new defense agreement with Turkey but also to seek an early settlement of the Cyprus dispute. Given these problems, Caglayangil must conduct a difficult "balancing act" during his stay in Washington to insure that Ankara's domestic and foreign policy interests are equally served.

US-Turkish Relations

The principal source of difficulty in our relations with Twkey continues to be the restrictions imposed on U.S. military assistance to Turkey, only partially lifted by the Congress last October Prime Minister Demirel has stated privately to Ambassador Macomber that the security assistance problem is a "knife at the throat" of Turkey and that US-Turkish relations cannot be restored to their pre-embargo state until all remaining "strings" on U.S. military aid are removed.

The military assistance legislation for FY 1976 (including the transition quarter) has passed both the House and Senate and is currently in conference. The House-Senate conference report is not expected before the end of this week. Both versions of the aid legislation contain specific provisions regarding assistance to Turkey. The Senate bill would permit FMS cash sales not to exceed \$125 million during the period covered by the legislation. The House bill would permit FMS cash sales, credit and guarantees, again with a \$125 million ceiling. In both versions, the caveats pertaining to the partial lifting of the arms embargo last October -- progress toward a Cyprus settlement and maintenance of a ceasefire on the island -- are retained.

The principal difficulty in the current aid legislation is the \$125 million ceiling contained in the House bill and strongly implied in the Senate bill. Congressmen Brademus, Sarbanes and Rosenthal have promised a bitter floor fight in the House if the ceiling is not retained. In the end, our best judgment is that the House version of the measure will be approved, with sales, credits and guarantees that the \$125 million limitation will remain.

Of importance for the Turks, the FY 1977 authorization bills will be coming up for consideration in both Houses in the next few weeks. Congressman Morgan, on the House floor, recently said that the limitations on aid to Turkey contained in the FY 1976 bill would not prejudice chances for further assistance in the FY 1977 legislation, adding that progress on either Cyprus or the bases agreement would be helpful. Consequently, the chances of meeting the majority of Turkey's military assistance needs in the FY 1977 legislation would appear markedly enhanced if a new Defense Cooperation Agreement (DCA) were signed during Caglayangil's Washington visit. With the security assistance issue thus substantially resolved, Turkey could then move toward a Cyprus settlement without appearing to act under threat from the U.S. Congress. You will wish to make this point in your meeting with the Foreign Minister.

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US-Turkish Bases Negotiations

Negotiations with Ankara on a new Defense Cooperation Agreement (DCA) are nearing successful conclusion. The principal obstacle in the negotiations has been the amount of assistance we will provide Turkey as part of the price for the new agreement. Up to now we have been offering \$200 million per year over the life of the agreement (3-5 years); the Turks have been pushing hard for \$350-400 million (down from their opening \$700 million) per year, with "ironclad" guarantees to insulate the assistance program from Congressional action.

State believes that differences on this point can be narrowed by offering additional financial "sweeteners." In your meeting, you will wish to point to the progress already made in the negotiations and express the hope that remaining differences can be quickly resolved.

Cyprus

Since the Cyprus crisis erupted in July 1974, efforts to bring about a settlement have centered on negotiations between the two Cypriot communities, which have not yet resulted in substantive progress. Neither side has been willing to make the concessions necessary to reach a solution agreeable to all parties -- Greece, Turkey and Cyprus. The mid-February talks between the representatives of the two Cypriot communities resulted in procedural understandings that both sides would exchange position papers in April on outstanding negotiating issues, including the issue of territory, and that the next round in the intercommunal talks would resume in May. Following this, major issues -territory and the powers of the federal government -- would be referred to subcommittees meeting in Nicosia. In your meeting, you will wish to point to the modest progress made at the last intercommunal talks in Vienna and express your hope that both sides will approach future negotiating sessions in a serious and constructive manner and that real progress can be made toward an agreement in principle.

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The Aegean

The discovery of oil in the undemarcated seabed of the Aegean in January 1974 has resulted in overlapping claims of continental shelf rights by both Greece and Turkey. The Aegean issue is potentially more explosive than Cyprus since both Greek and Turkish national interests are directly involved. The real danger in the Greek-Turkish dispute over the Aegean lies in the readiness of both sides to test each other's resolve. This situation could easily bring Greece and Turkey into an unwanted and explosive confrontation from which neither side could easily back down. While the situation has remained quiet in the area for the past year, tension was recently generated by a Turkish military exercise near the Greek islands along Turkey's eastern Aegean coast. Additionally, the potential for conflict is certain to increase if Ankara follows through on an announcement made last week to explore for oil in the disputed regions. Both sides have agreed to submit the dispute to the International Court of Justice. Consultations, however, between the two parties to draft the necessary legal briefs for submission to the Courts have ended in deadlock.

Opium Poppy Controls

It appears that Turkey, with advice and support from the United Nations and the United States, has been able to fulfill its promise that it would control the 1975 poppy crop (the first since the resumption of cultivation). The total cultivated acreage is apparently being increased during the current planting/growth season. Given both Congressional concern and the intrinsic merits of the issue, we will wish to continue to express to the Turks our strong interest in the success of their efforts to control the poppy crop.

- B. <u>Participants:</u> Foreign Minister Sabri Caglayangil, Turkish Ambassador Melih Esenbel, Ministry of Foreign Affairs Secretary General Sukru Elikdag, Director General for International Security Affairs Ambassador Ercumet Yavuzalp, Secretary Kissinger, Ambassador William Macomber and Brent Scowcroft.
- C. Press Arrangements: The meeting will be announced; White House photographer.

III. TALKING POINTS

<u>Introductory</u>

- 1. We are delighted to have you here in Washington, and I welcome this opportunity to continue the useful consultations I began last year with Prime Minister Demirel at the NATO summit in May and again at Helsinki in July.
- 2. Please convey my respects and best wishes to President Koruturk and Prime Minister Demirel.

US-Turkish Relations

- 1. Iand members of my Administration have worked hard to persuade the Congress that vital interests of the United States, Turkey, NATO and CENTO are involved in restoring full security assistance to your nation. We fully recognize the contribution that Turkey makes to Western defense.
- 2. I believe we have made important progress with the Congress. This is reflected in the FY 76 legislation.
- 3. I want to assure you that I will continue to make every effort to eliminate remaining security assistance restrictions.
- 4. The Congress, however, is unlikely to restore full military aid to Turkey without some visible sign of progress either on Cyprus or the bases negotiations. This is the reality of our situation.
- 5. I believe that early conclusion of a new US-Turkish Defense Cooperation Agreement, coupled with early reactivation of the most important joint defense bases in Turkey, would have a positive effect as the FY 1977 security assistance program for Turkey comes up for consideration in the next few weeks.

Cyprus

1. The Administration has never linked mutual security assistance to Turkey to the Cyprus negotiations. We do not do so now.

- 2. As a practical matter, however, many in Congress, which votes the funds for assistance, do make that linkage.
- 3. It is our frank assessment that Congress will be unwilling to restore grant assistance to Turkey, or to endorse a multi-year assistance commitment until there is a prospect of major progress in the Cyprus talks.
- 4. Conversely, I think the majority of Congressmen, who believe the embargo on arms to Turkey to have seen a mistake, would seize upon any sign of Turkish flexibility as an excuse to remove the remaining restrictions. There remains a strong appreciation in the Congress for Turkey's contribution as a loyal and dedicated NATO ally.
- 5. It is in Turkey's national interest to persuade Denktash to advance constructive, concrete proposals on all outstanding issues, including territory, and to press ahead with the Cyprus negotiations until a settlement is reached.
- 6. Turkey has everything to gain and nothing to lose from sustaining a productive negotiating pace. To the extent there is progress toward a solution, Turkish interests will be served. We think the Greeks are prepared to negotiate seriously. Should they refuse to do so, however, as you fear, Turkey's international image would in any case be enhanced since it would have clearly demonstrated a willingness to make a major good-faith effort to reach a negotiated solution.
- 7. We recognize your domestic political problems. However, we believe the Turkish Government would benefit from the kind of negotiated settlement favorable to Turkey which seems clearly in sight.

Aegean (if raised)

1. I welcomed the decision of Turkey and Greece last year to refer the matter to the International Court of Justice. I hope that you both can soon agree on submission of the necessary legal briefs to the Court.

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Opium Poppies

- 1. I have been pleased to learn that the Turkish Government has been able to realize its aim, expressed to me by Prime Minister Demirel at Helsinki, of controlling the 1975 opium poppy crop.
- 2. The United States continues to consider cooperation to eliminate the illicit international traffic in heroin and other drugs a top foreign policy priority for itself and other friendly countries.
- 3. We look forward to further cooperation with the Government of Turkey in this regard and shall welcome your continuing effort to ensure that the Turkish opium poppy is not diverted to this mischievous trade.

* * * *

Caramanlis Visit -- Invitation to Turks

The Foreign Minister will have been informed by Secretary Kissinger that Greek Prime Minister Caramanlis will be paying an official visit to Washington on June 15-16 (the visit has not yet been announced and the information is being held closely at the request of Caramanlis). You may wish to take the occasion of the Foreign Minister's call to extend an invitation in principle to either President Koruturk or Prime Minister Demirel to visit the United States at a mutually convenient future date.

